

NEW JERSEY DEPARTMENT OF  
**COMMUNITY AFFAIRS**



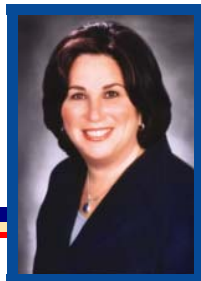
*For more information about the*



*please call our Customer Service Unit at  
(609) 292-6140*



James E.  
McGreevey  
*Governor*



Susan  
Bass Levin  
*Commissioner*

**Department of Community Affairs**

**Division of Housing & Community Resources**

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NEW JERSEY DEPARTMENT OF  
**COMMUNITY AFFAIRS**



*Building Partnerships to  
Revitalize Communities*



*A Business's Guide to the  
Neighborhood Revitalization  
Tax Credit Program*



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*Greetings from  
Governor McGreevey  
& Commissioner Levin*

*Partnerships are the key to the  
revitalization of New Jersey's  
neighborhoods.*

New Jersey's businesses play a critical role in the economic and social development of our neighborhoods. From attracting private investments in distressed areas to encouraging community-based planning, the Department of Community Affairs offers a wide range of programs to support the state's business sector – programs that give businesses the incentives they need to form lasting relationships with their communities.

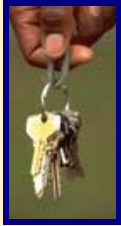
One of the programs DCA offers New Jersey businesses is the Neighborhood Revitalization Tax Credit, which fosters ongoing partnerships between the private and nonprofit sector in an effort to make New Jersey a better place to call home. If we want to improve our communities, we need to work together to make them viable and attractive places to live, work and play.

The Neighborhood Revitalization Tax Credit makes it easier to revitalize your community, and this brochure will show you how. We look forward to working with you in improving New Jersey's neighborhoods for years to come.

With all good wishes,

James E. McGreevey  
*Governor*

Susan Bass Levin  
*Commissioner*



## What is the Neighborhood Revitalization Tax Credit?

Created in 2002, the Neighborhood Revitalization Tax Credit provides a 50

percent state tax credit to businesses against business-related income. In order to receive the tax credit, businesses must contribute to participating 501(c)(3) organizations that have registered neighborhood plans with DCA. Funds can be used by nonprofits for a variety of projects including affordable housing, economic development, workforce development, open space, social services, business assistance, and other activities that promote neighborhood revitalization.

Up to \$10 million per year is available to businesses in state tax credits for the program, providing the funding for comprehensive strategies that:

- Engage in community-based neighborhood planning.
- Carry out neighborhood plans.
- Implement neighborhood revitalization activities.
- Attract private investments in New Jersey's distressed neighborhoods.
- Foster ongoing partnerships between private corporations and community-based development organizations.

## What types of businesses are eligible?

Any business firm or individual that is authorized to operate a business in the state and is subject to taxes on business-related income is eligible for the tax credit.

## What taxes are eligible for credit?

Eligible taxes include business-related income, including but not limited to business income subject to the provisions of the:

- Corporate Business Tax Act
- Tax imposed on marine insurance companies
- Tax imposed on insurers
- Sewer and Water Utility Excise Tax
- Petroleum Products Gross Receipt Tax
- Retaliatory Tax
- Financial Business Tax



The New Jersey Gross Income Tax is NOT eligible for the credit.

## What are the minimum and maximum contributions?

Businesses can contribute between \$25,000 and \$1 million per year. A multi-year commitment to a nonprofit organization is encouraged.

## What if a business already receives other state or federal tax benefits?

The state allows a business to claim up to 50 percent in tax credits against its total business tax liability. If your business already participates in another state tax credit program, your chief financial officer can tell you if the NRTC will benefit your business. The NRTC is independent of any federal tax credits or deductions, such as the federal charitable deduction, applied against federal corporate income taxes.

## Are there geographic restrictions on program participation?

Your business can be located anywhere in the nation as long as you have a state of New Jersey business related income tax liability. However, nonprofit organization partners must serve one of the state's approximately 31 Special Municipal Aid Act eligible municipalities. For the most recent list of eligible municipalities, please contact DCA at (609) 292-6140.

## How does a business find a nonprofit partner?

Your business can identify a nonprofit partner independently or DCA can help you locate a nonprofit organization match. DCA maintains a clearinghouse of nonprofit organizations and businesses looking for matches to help facilitate this process. If you have not selected an eligible nonprofit to partner with on a project, DCA can help you find the right match.

## Benefits of the Neighborhood Revitalization Tax Credit To Your Company:

- Capitalize on a 50 percent state tax credit
- Revitalize the area where you do business
- Strengthen your corporate image
- Create community and public relations opportunities
- Meet the requirements of the Community Reinvestment Act

## How is a business's investment monitored?

Funds for the program are administered through DCA to ensure a high level of accountability. Nonprofit organizations are required to submit and receive approval of a comprehensive neighborhood plan and any specific neighborhood revitalization initiatives. In addition, DCA requires quarterly progress reports to ensure that project goals are being met.

## How does a business apply for tax credits?

Businesses interested in participating in the NRTC Program submit a one-page application to DCA. Once approved, DCA will issue a certificate to your business allowing you to claim the tax credit in the fiscal year for which it is contributed. Please call our Customer Service Unit at (609) 292-6140 to obtain an application form.

## How does this benefit my company?

The NRTC program provides significant tax relief to participating businesses. For instance, if a company's net income is \$1 million and it makes a \$100,000 contribution to the NRTC Program, that company will receive a 50 percent tax credit for \$50,000. In the end, the contribution ends up costing the business only \$25,000.



*"The Neighborhood Revitalization Tax Credit provides businesses a great opportunity to build strong relationships with the communities where they do business, while providing a very favorable after-tax cost to a participating company."*

*- Susan Bass Levin, Commissioner of the Department of Community Affairs*